



Senate Update – April 7, 2008

Last Week in the Senate

On Tuesday, April 1, 2008, the Senate agreed to invoke cloture on the Renewable Energy and Energy Conservation Tax Act of 2007 (H.R. 3221) by a vote of 94 to 1 ([Record Vote 86](#)). The Senate is using H.R. 3221 as the vehicle for the Senate Housing agreement because the Senate bill contains tax provisions.

**Note: Article I, Section 7, clause 1 of the U.S. Constitution provides that "All Bills for raising Revenue shall originate in the House of Representatives."*

The Senate housing agreement contains several provisions to address the housing crisis, including mortgage revenue bonds, a \$7000 tax credit for homebuyers purchasing homes in foreclosures as a primary residence, and provides a standard deduction for people who pay property taxes. In addition, the bill provides \$100 million for counseling to help homeowners avoid foreclosure and grants military members returning from active duty service additional time before lenders can begin foreclosing on their homes.

On April 3 and 4, 2008, the Senate considered a number of amendments to H.R. 3221, including:

- The Senate agreed to a motion to table an amendment offered by Senator Richard Durbin (D-IL) by a vote of 58-36 ([Record Vote 88](#)). This amendment would allow bankruptcy judges to modify subprime and nontraditional mortgages.
- The Senate did not agree to a motion to waive the budget act for an amendment offered by Senator Patty Murray (D-WA) that would have increased funding for housing counseling programs from \$100 million to \$200 million. The motion failed by a vote of 44 to 40. ([Record Vote 89](#))
- Senator Jon Kyl (R-AZ) offered an amendment that would have indexed the capital gains exclusion for the sale of a primary residence to inflation. Currently, the exclusion levels are \$250,000 for an individual and \$500,000 for married filers. The amendment failed on a motion to waive the budget act by a vote of 41 to 44. ([Record Vote 90](#))
- Senator George Voinovich (R-OH) offered an amendment that extends the depreciation incentive to loss to companies that have accumulated AMT and Research and Development tax credits, as long as the money is used to expand operations in the United States. The amendment was agreed to by a vote of 76 to 2. ([Record Vote 91](#))
- The Senate accepted an amendment offered by Senator Mary Landrieu (D-LA) that would allow taxpayers affected by Hurricanes Katrina, Rita, and Wilma to avoid interest and penalties they might face for dual compensation for losses. The amendment was agreed to by a vote of 74 to 5. ([Record Vote 92](#))

On April 3, 2008, the Senate also passed a resolution honoring the sacrifice of the members of the United States Armed Forces who have been killed in Iraq and Afghanistan (S.Con.Res. 501) that was sponsored by all 100 Senators, by a vote of 95 to 0. ([Record Vote 87](#))

Senator Richard Lugar (R-IN), Chairman of the Fiscal Reform Working Group, announced their findings regarding Congressional earmarks on April 3, 2008. In the report the group lays out the following principles, "we believe an open and accountable amendment process and absolute transparency on every Member request successfully inserted into legislation is essential to the integrity of federal spending. In addition, Members should also have assurance that when they vote for a specific bill or conference report that all earmarks are written in a clear and transparent manner." ([Fiscal Reform Working Group Report](#))

**Note: Minority Leader McConnell announced the creation of a Republican Fiscal Reform Working Group in February. The working group was chaired by Senator Richard Lugar (R-IN) and was charged with reviewing the earmark process and making suggestions to the Senate Republican Conference on how to increase transparency and fiscal responsibility.*

This Week in the Senate

The Senate is expected to resume consideration of the Housing bill (H.R. 3221) during the week of April 7, 2008. Several amendments are expected to be considered, including amendments regarding renewable energy requirements, GSE reform, and tax breaks for homeowners who are behind on their mortgage payments.

Following consideration of H.R. 3221, the Senate is expected to consider the Consolidated Natural Resources Act (S. 2739). This legislation was introduced by Senator Jeff Bingaman (D-NM) and contains several bills that have passed the House and been cleared through the Senate Committee on Energy and Natural Resources.